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Making Netflix and Youtube Outdated: How Blockchain Changes Media

Mike Vine from LBRY discusses how the centralized online content platform giants will be facing fierce competition from decentralized, creator-controlled media.

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Giant online content platforms, such as Netflix and YouTube, currently dominate the content landscape, providing large quantities of easily accessible content for very cheap (or free plus advertisements). However, they remain centralized, meaning that a single entity has ultimate control over content and what compensation (if any) artists receive for their work.

Cointelegraph spoke with Mike Vine, Technology Evangelist for LBRY, about the prospects for a decentralized, blockchain-based, and creator-controlled approach to content dissemination to dismantle the current centralized norm.

Cointelegraph: How exactly does LBRY manage to give content creators full control?

Mike Vine: LBRY is not a service or a store, it's a protocol. It's a way for artists to connect to their fans the same way the internet is a way for you to connect to websites. With LBRY, the rules are encoded and enforced by cryptography – so we can't just arbitrarily change the terms on anyone down the road. That is very different than, say, YouTube, which is entirely controlled by Google. Google sets the terms of use, the payouts for creators, and it can change the rules at any time.

On LBRY, creators set their own price and our company, LBRY Inc., doesn't take any portion of it.

Policing illicit content

CT: Like it or not, one of the advantages of centralization is the ability to pull content that is either stolen or otherwise misattributed, unsavory, or downright illegal. How can decentralization deal with these problems?

MV: LBRY is a protocol, but today we are releasing an app that is like a window into that protocol. At the app level, we do have some ability to blacklist infringing content. Also, there may be technical ways through our position as the "market maker" of LBRY credits to basically make it more expensive for people to abuse the network. We've designed LBRY to make it easy to do the right thing: compensate talented

EXHIBIT

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creators for their work.

The point of decentralization is to push the power and the responsibility to the users, rather than having some large company in the position of making value judgments for hundreds of millions of people.



Competition for Netflix and other content platform giants

CT: Large content providers like Netflix already exist which allow users to seamlessly access a massive amount of content very cheaply. How will LBRY distinguish itself from, and successfully compete with, more traditional paid content platforms?

MV: For one, LBRY does everything. It can carry any form of digital media – songs, films, ebooks, games – so we'll have some advantage in having many different audiences coming to the same place and mixing their interests.

LBRY also allows users to choose their content a la carte. Cryptocoins allow for micropayments in a way that Netflix couldn't process through credit cards. So rather than paying \$10/month, you might pay a few pennies for each video you watch.

Netflix is constrained by having to get licensing deals for interesting new content – or spending big bucks to create their own. LBRY doesn't control the platform, so it's up to creators or distributors to post their content themselves and set their own price. We don't license or otherwise claim to own what's added to the LBRY network. It's a different relationship, and one that we expect media producers large and small to come to see as way better than the old way.

In short, what Netflix did to Blockbuster, we could do to Netflix. Or who knows, maybe Netflix will appreciate how we've dramatically lowered the cost of serving content and start offering their service through LBRY!

Reduced incentives for pirating

CT: Are you worried about pirating? It sounds like people could simply take LBRY's content and make it available for free on file sharing networks, or even sites like YouTube.

MV: Any digital media can be copied, no matter what protections are put in place. People currently grab content and share it in violation of copyright law. LBRY improves upon the current situation by having better incentives for all participants than BitTorrent or YouTube, and one of those is that LBRY makes it very easy to pay the creator directly. The success of the iTunes store shows that people are willing to pay for media if the process is easy. Now imagine instead of paying some record company, you're compensating the band directly for their music. How many people are going to go out of their way to avoid paying the artist for the work they're enjoying when paying a small amount gets you a reliable, high-quality file in an ad-free environment?

You have to realize that with YouTube, you're paying with your precious time every time you sit through an ad.

Bringing new users to cryptocurrency without them even knowing

CT: Bitcoin businesses have a significant knowledge barrier to surmount in order to get the average consumer involved, and I'm sure this is even greater for other cryptocurrencies, especially new ones. Do you have any plans to get around this obstacle?

MV: I'm very excited by the prospect of massively expanding the cryptocoin userbase without many users even realizing what they're using. For many, LBRY credits will seem like Chuck-E-Cheese tokens, and they won't realize that they're holding something really substantial and powerful.

One of Bitcoin's main hurdles is getting them in the first place. People don't want to deal with an exchange or negotiating to buy some from an acquaintance. It's a pain. LBRY offers several ways to *earn* credits: mining and posting content are the obvious ones, but users can also set aside some disk space to host content for the LBRY network and passively earn credits. This is very exciting, and means many people could enjoy LBRY without ever having to outright purchase credits. This is key both to our adoption plan and spreading the magic of cryptocoins.

CT: When a new cryptocurrency comes out, it runs a risk of being labeled a "shitcoin," a cheap Bitcoin knockoff meant to scam gullible cryptocurrency enthusiasts. How do you plan to avoid this cursed label for LBRY credits?

MV: We avoid this by having a clear purpose. As we've discussed in the past, LBRY credits are really designed for the functioning of the LBRY protocol – they're an appcoin. So we're not trying to compete with Bitcoin as a form of money. The value of LBRY credits will be tied to the success of our media marketplace. As for why we didn't just use Bitcoin, we had a few good reasons.

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